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DEPARTMENT OF AGRICULTURE

Office of the Secretary

7 CFR Part 3

[Docket No. USDA-2023-0016]

Debt Management; Administrative Updates

AGENCY: Office of the Secretary, USDA.

ACTION: Final rule.

SUMMARY: This final rule amends the U.S. Department of Agriculture's debt management regulations by making two minor clarifying changes pertaining to entities or programs to which some or all of the regulations do not apply.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Mr. Elvis Tull, Branch Chief, Office of the Chief Financial Officer, USDA; 202-205-5369.

SUPPLEMENTARY INFORMATION:

I. Background

The regulations in 7 CFR part 3, “Debt Management,” prescribe standards and procedures for use by U.S. Department of Agriculture (USDA) agencies in the collection, compromise, suspension, or termination of debts owed to the United States. This rule clarifies the scope of debt collection activity as it applies to public international organizations and the availability of administrative review under 7 CFR part 3 for certain debt collection activities involving the Commodity Credit Corporation (CCC).

First, § 3.1, “Purpose and scope,” includes categories of debt collection actions to which 7 CFR part 3 does not apply. One of those categories, found in paragraph (c)(3), is the

“[c]ollection of debts owed by foreign governments and, sovereign institutions of foreign governments.”

This amendment clarifies that, in addition to debts owed by foreign governments and sovereign institutions of foreign governments, debts owed by public international organizations are outside the scope of USDA’s debt collection regulations. A public international organization is an organization entitled to enjoy privileges, exemptions, and immunities as an international organization under the International Organizations Immunities Act (22 U.S.C. 288–288f). Examples include the Organization for Economic Cooperation and Development (OECD) and the United Nations. This amendment aligns USDA’s debt collection regulations with those of other U.S. Government agencies, such as the Department of State and the United States Agency for International Development, that work with public international organizations. Consistent with the treatment of public international organizations under U.S. law, these agencies group the collection of debts owed by public international organizations along with the collection of debts owed by foreign governments and sovereign institutions of foreign governments in the list of debt collection actions to which their debt management regulations do not apply. Therefore, USDA amends § 3.1(c)(3) to include public international organizations.

Second, 7 CFR part 3, subpart F, establishes consolidated administrative review procedures for debts subject to administrative offset, administrative wage garnishment, and disclosure to credit reporting agencies under subparts D and E of part 3. However, there is a list in § 3.60(b) of certain debt collection proceedings initiated by USDA agencies that are subject to the separate administrative review procedures in 7 CFR part 11, National Appeals Division, rather than the procedures in 7 CFR part 3, subpart F. Among the debt collection proceedings listed in § 3.60(b) are those initiated by CCC.

The statutory authority for the National Appeals Division only specifically requires coverage for the CCC “with respect to domestic programs” (7 U.S.C. 6991(2)(B)). This draws a statutory distinction between domestic CCC programs and CCC programs administered outside

the United States by USDA's Foreign Agricultural Service. To clarify that non-domestic CCC programs are addressed under the administrative review procedures of 7 CFR part 3, subpart F, and not subject to the procedures provided in 7 CFR part 11, USDA amends 7 CFR 3.60(b) by adding the qualifier "(with respect to domestic programs)" to the mention of CCC-initiated debt collection proceedings.

II. Notice and Comment Not Required

This rule is ministerial in nature and makes only clarifying, technical adjustments to align USDA's debt management regulations. Accordingly, pursuant to the administrative procedure provisions in 5 U.S.C. 553, USDA finds, for good cause, that prior notice and other public procedure with respect to this action are not necessary and this rule may be made effective less than 30 days after publication in the *Federal Register*. Therefore, this rule will be effective upon publication in the *Federal Register*.

III. Procedural Requirements

Executive Orders 12866 and 14094

The Office of Management and Budget (OMB) has determined that this regulatory action does not meet the criteria for significant regulatory action pursuant to Executive Order 12866, Regulatory Planning and Review, as amended by Executive Order 14094, Modernizing Regulatory Review.

As noted, this rule is ministerial in nature and makes only clarifying, technical adjustments to align USDA's debt management regulations. Accordingly, there are no economic impacts associated with this action.

Regulatory Flexibility Act

The provisions of the Regulatory Flexibility Act relating to an initial and final regulatory flexibility analysis (5 U.S.C. 603, 604) are not applicable to this final rule because USDA was not required to publish notice of proposed rulemaking under 5 U.S.C. 553 or any other law. Accordingly, a regulatory flexibility analysis is not required.

This final rule imposes no new reporting or recordkeeping requirements necessitating clearance by OMB.

List of Subjects in 7 CFR Part 3

Administrative practice and procedure, Claims, Government employees, Income taxes, Loan programs-agriculture, Penalties, Reporting and recordkeeping requirements, Wages.

Accordingly, USDA amends 7 CFR part 3 as follows:

PART 3 – DEBT MANAGEMENT

1. The authority citation for part 3 continues to read as follows:

Authority: 5 U.S.C. 301; 7 U.S.C. 1506, 1981, 1981a, 1981d, and 2008h; 15 U.S.C. 714b; 31 U.S.C. 3701, 3711, 3716–18, and 3720B; and 31 CFR parts 285 and 901–904.

2. In § 3.1, revise paragraph (c)(3) to read as follows:

§ 3.1 Purpose and scope.

* * * * *

(c) * * *

(3) Collection of debts owed by foreign governments, sovereign institutions of foreign governments, or public international organizations.

* * * * *

§ 3.60 [Amended]

3. In § 3.60, in paragraph (b), add the words “(with respect to domestic programs)” after the acronym “CCC”.

Ethel Butler

Fiscal Policy Division Director

Office of the Chief Financial Officer

U.S. Department of Agriculture

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